

Issue 74: INSIDER'S EDGE: Workers' Compensation....Is It Income?

Dear Marge,

Can you help us with a question? Per healthcare.gov, Workers' Compensation is not counted as income in the Exchange and should not be included on the application. However, I have heard that it *should* count for Medicaid applications. Is this correct?

--Inquisitive Insiders

Thanks for your question. I think your confusion about whether Workers' Compensation counts as income arises from the differences between the modified adjusted gross income (MAGI) and non-MAGI rules for Medicaid. Let's start with some basics and then get into the details...



What is Workers' Compensation?

Workers' compensation is an insurance program established by State law that all employers having one or more employees, full or part-time, are required to have for the benefit of their employees. To be covered under workers' compensation, an employee must have received an accidental personal injury while working ("on the job"). For more information on Workers' Compensation, visit <http://www.wcc.state.md.us/>.

Workers' Compensation and MAGI

Regardless of whether someone is applying for Qualified Health Plan (QHP) coverage through Maryland Health Connection or for Medicaid benefits as part of a MAGI-eligible group, **Workers' Compensation is not included in the calculation of MAGI and does not count towards the applicant's income.**

Don't forget, Medicaid MAGI-eligible groups fall into one of four categories:

- Children
- Pregnant women
- Parents and caretaker relatives
- Nondisabled childless adults under 65

Workers' Compensation and non-MAGI Medicaid

So where did the idea that Workers' Compensation *should* count for Medicaid applications come from? When an individual who does *not* fall into one of the MAGI-eligible groups applies for Medicaid, their income is calculated under the old set of income and asset rules that was in place prior to the implementation of the Affordable Care Act (ACA).

Under the rules for non-MAGI applicants, Workers' Compensation must be reported as income by the applicant. However, any portion of the award that is deducted for medical, legal, or related expenses paid in connection with the person's claim, and which is consequently not controlled by that person, does not count as income.

Caseworkers assisting non-MAGI Medicaid applicants also need to remember that when it appears that a person meets basic eligibility requirements for Workers' Compensation, but has not applied for the benefit, the person must apply for the benefit and verify that fact before the person can be determined eligible for non-MAGI Medicaid.

For more information on Workers' Compensation and non-MAGI Medicaid applications, see the Medical Assistance Manual, § 700.1(d)(5), p. 709, <https://mmcp.dhmh.maryland.gov/SitePages/Medical%20Assistance%20Eligibility%20Updates.aspx>.

Questions? You know where to send them! E-mail me at dhmh.medicaidmarge@maryland.gov.